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Brazil

Interview with Raul Pont

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The following interview was conducted at the end of November 2003 during the VII National Conference of Socialist Democracy (DS), the tendency in the Brazilian Workers Party (PT) that organizes supporters of the Fourth International.

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Raul Pont

Raul Pont is a founder member of the PT and of DS. He was mayor of Porto Alegre between 1997 and 2000 and one of the architects of the participatory budgets there. He was the left's candidate for President of the PT in 2001. He is currently a member of the state assembly in Rio Grande do Sul state and again the PT's candidate for mayor of Porto Alegre in next October's local elections.

Q: It's clear from the discussion here at the Conference that everyone has a negative view of the first year of the Lula government. Some more, some less. So what does it mean to "dispute the course taken by the government"?

A: It's true that our current has a negative overall critique of this first year of government, mainly because of the economic policies that the government has continued, and which those comrades leading the government explain as a transitional phase that is necessary for the government to take hold of the mechanisms that will allow it to introduce different policies after this phase is over. They don't put a time limit on this, but those same comrades in the majority tendency of the PT recognize that it will have to change.

Who exactly recognizes that it will have to change?

In the PT leadership meetings they keep repeating that this is a difficult but necessary stage we're going through, that we need to guarantee this stability, to show our administrative ability, show that the Lula government can keep the economy running and maintain foreign relations, so that, according to the majority, the government can then begin implementing measures based on our programme, ensuring growth with redistribution of income, agrarian reform...

But do you think that is still the aim of the small group at the heart of the government? Do they still think this is just a transition?

I think it's contradictory. I think there are different degrees of commitment. I think that within the central nucleus of the government there are some who believe this. Others, like the Finance Minister, Pallocci, say that other kinds of policies will be impossible in the next year or even within the term of this government. So there is a dispute there. Because the majority manages to remain a majority within the leadership because Lula himself, when he comes to the PT leadership meetings, demands people's confidence on the basis of this idea of a transition, of needing time to take hold of the administrative machinery, establish a majority in congress, or at least neutralise the opposition there, and then begin other kinds of measures. We do not believe in that, of course. But we don't think those who say this are acting in bad faith or deliberately trying to deceive the party as a whole. So there is a dispute within the party that is far from finished or resolved.

So for DS, where is it most important to develop this dispute - around what issues and in which sectors?

We think that in the first place the government needs to stop basing its project on winning support from parties of the

centre in Congress. That may seem simple and logical enough, but in reality it becomes a huge obstacle to developing our own political and social strength. It weakens our relationship with the popular movement, with the trade unions, and at the same time it privileges an arena of struggle which is not our own.

We think the government needs to put its energies into building mechanisms of direct popular participation in the public administration. There are some areas, like the work we're doing with our comrade Miguel Rossetto in the Ministry of Agrarian Development, that do point in that direction - bringing together the government with the landless movement, with the agricultural workers trade unions and their confederation, CONTAG, to develop with them policies for the rural sector, for small peasant agriculture and for this immense landless movement that is fighting for the right to work the land. That's one example. So we think that democracy should be an absolutely central element in the new direction the government should take in its relations with society.

Starting from that, we have to fight for a new agenda, not the one set by the mass media and the IMF, but an agenda of our own. The government needs to take the initiative to set its own priorities. We have far more important things to deal with.

The way the tax reform went through congress is a clear example of this. The government has the powers, within the constitution, to take a series of fiscal and tax measures directly, without going through congress. It's the government's prerogative to take the initiative on the budget for example and on a number of other really important issues.

As soon as we accept that this debate has to go through the congress, we walk into a minefield, where conservatives of the right and the centre have a majority, and they set the pace for the reform. So we had a bill that went to the congress in a form that wasn't too bad, which included a series of aspects that any PT member could defend, but which was gradually stripped of all these elements as it made its way through the lower house. So now, in the senate, we have a final version of the bill which bears no resemblance to the original proposal. The government has been forced to retreat and put off until some undefined future all the points which would have been most relevant to the interests of the popular classes and to national sovereignty. What's left for the government to negotiate are just those points which do most to undermine its credibility - things like freeing up budget resources which were previously tied to education and health, or the tax on all credit card and cheque transactions, which is highly regressive and feels like daylight robbery to most working people.

So we don't have the votes in congress to get through the proposals for progressive taxation on large-scale property, but nor do we agitate and build a popular movement to show that this was the kind of reform the government wanted to carry out - based on progressive taxes with big companies, property owners and the rich paying more, rather than the present situation in Brazil where almost all taxes are indirect taxes on consumption, paid by workers, wage-earners and the poor.

So that's what we mean when we say that the space is there for a very different agenda.

But for a PT government to implement this different agenda, surely it wouldn't be enough just to escape from the trap of conservative alliances in congress? Wouldn't it also have to confront this question of the 'confidence' of the markets?

I don't think it's a question of escaping from such alliances. They should never have got into them. It was completely unnecessary. We have the experience...

But what about this constant threat that the markets will destabilize the economy?

Well, it's just that, isn't it? A threat. We'll always have that hanging over us. What we need to do is occupy certain areas that allow us to move forward without this creating the kind of confrontation that generates a so-called destabilization of the economy by the markets. After all, even the capitalists in Brazil have an interest in avoiding a situation of permanent instability - it's not good for business. For their economic calculations, for their forward planning, they too need a certain stability. What I was going to say is that in our municipal governments we already have the experience of applying policies and ways of governing that do not depend completely on parliamentary alliances, but depend much more on a direct relationship with the population.

The participatory budgets?

Exactly, the participatory budgets, the municipal councils that draw up sectoral policies, but also having policies that address people's most basic concerns - improving their incomes by combating insecure employment and raising the minimum wage, reducing working hours, attacking the legacy of privatization which in Brazil resulted in a savage increase in prices for public services. For example, electricity, telephones, cooking gas, fuel, began to have their prices indexed to the US dollar, making life absolute hell for workers and the poor, because they have to spend an ever larger part of their wages on things which at least in the major cities have become absolute necessities.

Given the conservative agenda currently being pursued by the Lula government, what should be the role of members of parliament from the left of the PT, at federal and also a state level?

I think at the same time as we defend the PT government and promote those policies of the government's which do have a positive character - for example the relationship with the trade unions has completely changed in terms of repression, the relationship the government has established with the landless movement is also completely different from the one that existed before, some ministries have taken serious steps towards creating mechanisms for popular participation and consultation, involving the popular movements in the decision-making process. So these are things we have to recognize. The government has not surrendered in the face of Bush's Free Trade Area of the Americas or accepted a foreign policy that under the previous government was totally submissive to the United States. Now Itamaraty, the Brazilian Foreign Ministry, has a different approach, trying to consolidate the South American Common Market, MERCOSUR, and stronger relations between Latin American countries. Lula's intervention in the crisis in Venezuela, the search for greater integration within South America, are tremendously important. For 500 years these countries have been facing in opposite directions, totally subordinated to either Europe or the United States. So having real policies for integration between countries that share so much history and culture and have economic similarities is very important. We recognize that.

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Porto Alegre

We think the big problem with the government is that has chosen to subordinate itself to an agenda set by the IMF. We're not even demanding that the government tear up all existing contracts and stop paying. We're saying we recognize that a party which has never been in government at federal level needs some time to adapt, to get to know how the bureaucratic machinery works in a country of 8 million square kilometres and nearly 200 million inhabitants - that's no small matter. But we think there is a clear space for public policies that democratise the budget and invert social priorities, which are things we've already done in the municipalities we govern and in some of the state governments we've run in the past, like Rio Grande do Sul. The government has powerful instruments at its disposal. The Bank of Brazil, for example, and the Federal Savings Bank (Caixa Economica Federal), are powerful instruments for establishing policies to restore economic growth, to invest heavily in sanitation and low-cost housing, in health and all those areas that really concern the majority of the population, which lacks decent service in all these areas. And that's not money going into the pockets of bankers, but money spent on improving living conditions for the majority of the population.

The government could - it hasn't so far but there's absolutely nothing stopping it - decide to use the Bank of Brazil, the Caixa Economica and the National Development Bank (BNDES) to provide finance for local municipalities. That's what they were set up to do. That's what they're for. But in line with policy 'guidelines' from the World Bank and successive agreements with the IMF, the federal government has closed own credit to small, medium-sized and large municipalities.

But how should you, as a member of a state assembly, or your comrades who are members of congress in Brasilia, be opposing these parts of the government's agenda that are directly dictated by the IMF and company?

We are organizing members of parliament to put pressure on the government, organizing joint actions with parliamentarians from other parties where that's appropriate, mobilizing the mayors. For example, the mayors, including PT mayors are demanding these things because this was part of our programme. When it was in opposition the PT adopted as part of its platform of struggle that Brazil's municipalities should retain at least 20% of all tax incomes.

So this struggle for decentralization, for the financial autonomy of the municipalities, leads inevitably to greater spending on education, health, sanitation, water, popular housing. That's true even if the mayor doesn't want it, because the pressure from the population, the intensity of social demands, forces local governments to move in that direction. The pressure at local level is much more immediate and from the bottom up, and that changes any federal commitment to balanced budgets and a primary surplus. The latter just means concentrating resources at national level and transferring these to the bankers, to the creditors, or else increasing the level of debt and raising interest rates to attract more short-term capital.

So this is something our members of parliament fight for, it's part of the PT's programme, we can mobilize mayors from other parties around this, work with the trade unions to show the importance of municipalities having more resources at their disposal, because that's where the population can have more direct influence in changing the way those resources are used.

This area of workers' immediate interests is a huge one. Here most of the employers don't comply with the social legislation that already exists. They don't pay the wages they should. They don't respect the rights the workers have. Our government should be improving the checks and enforcement of this, putting an end to precarious contracts, to the rampant 'flexibility' to which workers are being submitted. This alone would already signify a big advance. And this would build political support. The worker or wage-earner who sees that the government is on his or her side and is fighting for her interests, defending them against employers who don't respect the laws that exist...

What I heard most frequently during the election campaign in 2002, in the factories and stores and other big workplaces in Porto Alegre, which is a state capital with a tradition of trade union struggle and of struggle for the respect of basic rights, what I heard most often, especially from women workers, was that they weren't being paid the wage established by law, which the employers didn't respect and which they couldn't demand openly for fear of being fired. And with unemployment as high as it is, workers are of course desperate not to lose the jobs they have. Sometimes the trade unions themselves don't fully realise this. Now a government of ours should have been at the workers' side in this struggle. Because it was the workers who elected Lula, it was the majority of the population who elected him.

So the defence of reasonable prices for public services, that people can actually pay, the defence of decent wages, the reduction in the working week, all these are initiatives the government could have taken. None of this means a break with the IMF and international creditors, but it does mean deciding to attack the one thing at which Brazil breaks all the records, social inequality. And you can be sure that measures like these would give the government

much more strength, much greater support and legitimacy for bigger confrontations later on. It's a different path to the same objective, if we accept as good faith that the comrades in the government today also want to reach the point where public resources are directed to the needs of the majority of the country's population.

What kind of campaign are you planning to run in the elections for Mayor in Porto Alegre? Will it be a campaign of confrontation with the current economic policies of the government?

I imagine the contest in Porto Alegre will be a much more local one. In part because some of our adversaries in Porto Alegre are already participating in the government in Brasilia, or looking to participate in it. The main centre-right party, the PMDB, will be one of, if not the main opponent we face in Porto Alegre. But they are on the point of joining the Lula government. So they can hardly mount a campaign against the federal government when they're trying to join it!

But what about your campaign?

Yes, I know. What I mean is that the contest will have a more local character. Given that, my campaign will be one of defending the 15 or 16 years experience of PT government in Porto Alegre. I want to maintain in Porto Alegre the PT of the World Social Forum. I want to maintain in Porto Alegre the PT of the participatory budget, the PT of the municipal councils, the PT that introduced quotas for women and for blacks, a PT that is the real product of 23 years of struggle.

So these policies - that the population should decide the public budget, that the population should draw up the policies for social services, for children and adolescents - this sovereignty of the people is our greatest triumph. It's our strongest argument. We are convinced that this is the right policy. It doesn't always guarantee victory in advance. The enemy is also strong. They have economic power, they dominate the radio and television. All the big employers' associations will be against us. The immense majority of the other parties will also be against us. All the parties of the right and the centre will be against our government, and against my candidacy. But we trust in our strength coming from popular support, from 16 years of experience with the democratic participation of the people of Porto Alegre.